



CITY OF DURHAM | NORTH CAROLINA

Date: May 19, 2014

To: Thomas J. Bonfield, City Manager
Through: Keith Chadwell, Deputy City Manager
From: Kevin Dick, Director, Office of Economic and Workforce Development

Subject: Proposed Agreement with Self Help Ventures Fund for Streetscape Enhancements along the right-of-way of the Kent Corner Project and extending to adjacent portions of W. Chapel Hill and Kent Streets.

Executive Summary

This item describes the proposed agreement between the City of Durham and Self Help Ventures Fund ("Self-Help"), a private developer, for the construction of certain Streetscape improvements to be made in the right-of-way of the "Kent Corner" development project and extending to adjacent areas beyond the project, east to Carroll Street along W. Chapel Hill St. and extending south to Jackson St. along Kent Street..

Recommendation

The Office of Economic and Workforce Development recommends the City Council:

1. Adopt a budget ordinance amending the City of Durham Budget Ordinance as amended, Fiscal Year 2013-14, the same being Ordinance #14486; and,
2. Authorize the City Manager to execute an agreement with Self-Help Ventures Fund for the construction of streetscape enhancements along the right-of-way of W. Chapel Hill and Kent Streets not to exceed \$220,000.00.

Background

Self-Help, through its affiliate, Chapel Hill Street Development, LLC, is the private developer of a construction project located at the corner of Kent and W. Chapel Hill Streets in Durham ("Kent Corner Project"). The Kent Corner Project includes: (a) demolition and removal of existing building(s); (b) construction of two new buildings that will house approximately 10,000 square feet of retail space facing W. Chapel Hill Street and 33,000 square feet of office space; (c) designation of green space; (d) construction of public right-of-way and streetscape improvements near the intersection of Kent St. and W. Chapel Hill Street; and (e) establishment of off-street parking. A more detailed depiction of the Kent Corner Project is presented in the city approved site plan, case no. D1200337.

Self-Help is required by the site plan to make certain repairs and reconfigurations to the roadway and intersection adjacent to the Kent Corner Project. The City had previously identified portions of West Chapel Hill Street, (including the area of the Kent Corner Project on Chapel Hills Street), as a "Targeted Area" for community and economic development

purposes, and has contemplated making certain streetscape enhancements in the West Chapel Hill Street Targeted Area.

The City and Self-Help wish to coordinate some of these same streetscape enhancement concepts into both the Kent Corner Project and adjacent sidewalk areas. Self-Help has agreed to make these streetscape enhancements (beyond what is required by city code and the Unified Development Ordinance), if the City agrees to contribute to the cost of such enhancements.

Issues and Analysis

Since March 2013, OEWD staff has been working with Self Help Ventures Fund on the implementation of a joint project that would incorporate private investment expenditures together with public infrastructure improvements to the West Chapel Hill Street commercial district as part of a public-private streetscape enhancement project. Together with the private investments made to the West Chapel Hill Street commercial district, the City will agree to pay Self Help Ventures Fund for certain public streetscape improvements.

The funding source for the proposed public streetscape improvements is a combination of Neighborhood Revitalization funding and the revenue generated from the sale of the City-owned parking lot located on West Chapel Hill Street.

As part of the negotiated streetscape enhancement agreement, Self-Help will be responsible for completing the specified streetscape enhancements. The scope of the public streetscape improvements includes the roadway and sidewalks improvements identified within the public right-of-way depicted on the schematic streetscape plan sheet prepared by Coulter Jewell Thames titled "West Chapel Hill Street Streetscape Improvements", dated December 11, 2013, with a last revision date of April 15, 2014 (the "CJT Streetscape Plan"). The Streetscape Enhancements are inclusive of the right-of-way improvements extending beyond the Kent Corner Project east along Chapel Hill Street to Carroll Street and south along Kent Street to Jackson Street, all as depicted on the CJT Streetscape Plan. For your consideration, the CJT Streetscape Plan dated April 15, 2014 is attached as Appendix A to this memorandum.

Alternatives

The City Council may decide to not approve the streetscape enhancement agreement or may decide to approve it with changes. Choosing the former option would likely eliminate or significantly limit the completion of the public right-of-way improvements depicted on the schematic streetscape plan sheet prepared by Coulter Jewell Thames titled "West Chapel Hill Street Streetscape Improvements", dated December 11, 2013, with a last revision date of April 15, 2014. Further, the streetscape enhancements along the right-of-way improvements extending beyond the Kent Corner Project east along Chapel Hill Street to Carroll Street and south along Kent Street to Jackson Street would also be eliminated or significantly reduced. The extent of the streetscape enhancements as proposed by Self Help Ventures is contingent upon public contribution.

Financial Impact

The proposed maximum public investment made by the City for all the streetscape enhancements to Kent Corner is \$220,000.00 to be paid at the completion of the project. Of the total public investment, \$100,000.00 will be allocated from FY14 Neighborhood Revitalization funds and the remaining \$120,000.00 will be appropriated from the revenue

generated from the sale of a City-owned parking lot located on West Chapel Hill Street. The general fund impact will be a \$120,000.00 increase to expenses for end of year projections.

SDBE Summary

The Department of Equal Opportunity/Equal Assurance did not review this item for compliance with the Ordinance to Promote Equal Business Opportunity in City Contracting. Because the contractor began construction work on the Kent Corner development project in November 2013 with its general contractor, bids to subs were solicited that summer or fall and a general contract was executed in October. The scope of work for this contract included a base level of streetscape improvements which were indicated on the approved site plan, and sub-contractors were selected to perform that work. In March of 2014, Self Help met with the City to discuss expanding the scope of the improvements and enhancing the streetscape to the east and south of the project, as described earlier in the memorandum.

Based upon information received from Self Help, \$903,654.00 (15%) of the total private development cost to date has been spent with minority or disadvantaged business enterprises. A cross reference of the City's Equal Opportunity and Equity Assurance database revealed that \$276,834.00 or approximately 5% of the private development costs to date has been spent with firms that have been certified in the database.

Attachment

- Streetscape Enhancement Agreement between the City of Durham and Self-Help Ventures Fund
- CTJ West Chapel Hill Streetscape Plan
- Ordinance Amending the FY2013-14 City of Durham Budget Ordinance